

Allisya Rupiah Balanced Fund

April 2016

BLOOMBERG: AZSRPBL:IJ



INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

INVESTMENT STRATEGY

To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

PERFORMANCE INDICATOR

Return Performance

Last 1-year Period	1.86%
Best Month	10.95% Jul-09
Worst Month	-14.39% Oct-08

Portfolio Breakdown

Equity
Treasury Bonds
Govt. Related Bond
Mutual Funds - Bonds
Sharia Cash/Deposit

Top Five Bonds Holding

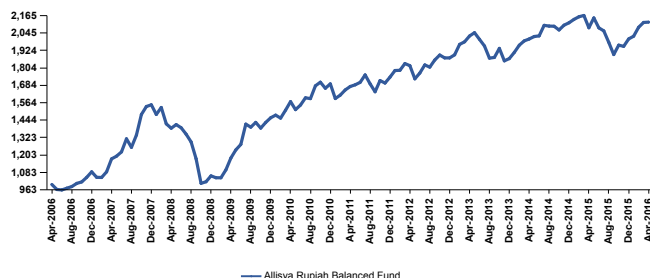
52.04% INDOIS 8 7/8 11/15/31
16.15% PBS001 4.45% 15/2/18
0.59% INDOIS 8 3/4 08/15/23
2.95% PBS002 5.45% 15/1/22
28.27% PBS004 6.1% 15/2/37

Top Five Stocks Holding

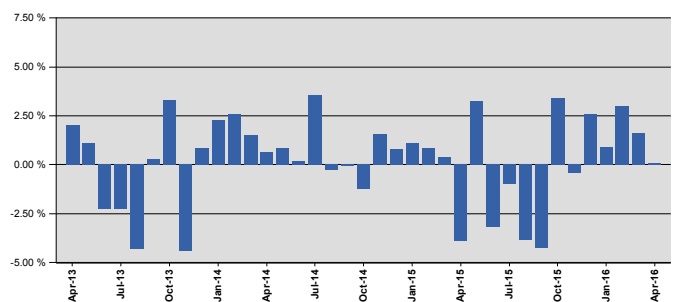
6.49% Telekomunikasi Indonesia	10.49%
3.64% Unilever Indonesia	9.46%
3.13% Astra International	8.28%
1.41% Indofood CBP Sukses Makmur	2.33%
0.78% Indofood Sukses Makmur	2.17%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	0.10%	4.80%	8.09%	1.86%	4.72%	5.78%	111.89%

Unit Price Curve of Allisya Rupiah Balanced Fund (Since Inception)



Monthly Performance of Allisya Rupiah Balanced Fund



KEY FUND FACTS

Fund Size (in bn IDR)	: IDR 502.22
Risk Profile	: Moderate
Launch Date	: 25 Apr 2006
Fund Currency	: Indonesian Rupiah
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Apr 29, 2016)	Bid : IDR 2,012.96 Offer : IDR 2,118.91
Bid-Offer Spread	: 5.00%
Management Fee	: 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced April's deflation at -0.45% mom (vs consensus -0.28%, +0.19% in Mar 2016) mostly were caused by lower food ingredients prices. On yearly basis, inflation printed at 3.60% YoY (vs consensus 3.81%, 4.45% in Mar 2016). Core inflation printed at +3.41% YoY, slightly lower from previous month (vs +3.50% in Mar 2016). In the Board of Governors' Meeting on Apr 21st, 2016, Bank Indonesia maintained its reference rate at 6.75%, Lending Facility at 7.25% as well as facility rate (FASBI) at 4.75%. Rupiah appreciated against USD by +0.54% to 13,204 at end of April compared to previous month 13,276. Indonesia economic growth in first quarter 2016 was decreased -0.34% QoQ (4.92% YoY compared to previous quarter at 5.04% YoY) which largely led by contraction in several industries such as mining, manufacturing, construction, trade, automotive repair. Trade balance was surplus +0.49bn USD (non-oil and gas surplus +0.79bn USD, oil and gas deficit -0.30bn USD) in Mar 2016. Export decreased by -13.51% YoY mostly driven from export in mineral gas, while imports decreased by -10.41% YoY. BI confirmed to use the 7 day reverse repo rate as a new policy rate and will be effective on 19 August 2016. At the implementation, Bank Indonesia will establish a symmetrical and narrower interest rate corridor where the Deposit Facility rate and Lending Facility rate will be 75bps below and above the 7 day reverse repo rate. FX Reserves increased +0.17bn USD from revised number 107.54bn USD in Mar 2016 to 107.71bn USD in Apr 2016 on the back of offshore inflow to the bond market.

IDR government bond yields closed in mix movement all across the curve in Apr 2016. Overall market was firmer in the early weeks and weaker nearing month end. Positive sentiment came from the Fed minutes released which indicate un-aggressively in hiking rate; as well as from March foreign reserve number which was higher. While negative sentiment came from BI meeting announcement that there will be no rate cuts ahead of its new policy plan. At the end, buying supports still keep coming in from both side offshore and onshore accounts; reflected on every incoming bids in each weeks' auction. MoF had issued 3-months non-tradable SPNNTD20160701 which is amounting to IDR 360.814 bio (mat. 1 Jul 2016) at 2.19375% yield for regional government who had been punished due to their late budget reimbursement. The rate was given at around 60% of Bank Indonesia's remuneration rate for government. MoF held debt switch auction on Apr 20, bought short end bonds up to 3yr and sold benchmark bonds 15yr IDR 362bn at 7.62% and 20yr IDR110bn at 7.69% in exchange. Incoming offers received was IDR1.8tn, and government decided to swap only IDR472bn of bonds. Offshore accounts increased their holding by IDR 20.09Tn in Apr 2016 (+3.31% MoM), from IDR 606.08Tn as of Mar 2016 to IDR 626.17Tn as of Apr 2016, which brought their holding to 38.85% of total outstanding tradable government bond (from 38.48% in the previous month). The 5Y yield Apr 2016 was higher by +6bps to 7.47% (7.41% in Mar 2016), 10Y tenor higher by +5bps to 7.75% (7.70% in Mar 2016), 15Y tenor lower by -28bps to 7.90% (8.18% in Mar 2016) and 20Y tenor lower by -27bps to 7.91% (8.18% in Mar 2016).

The JII (Jakarta Islamic Index) closed slightly higher in April at 653.26, gaining +0.09% MoM. Large cap stocks such as TLKM, WSKT, MIKA, ADRO, and PWON contributed to the MoM gain, all of which rose by +6.77%, +16.96%, +9.48%, +13.18%, and +8.47% MoM respectively. Several corporates has published 1Q16 earnings number with mixed result. Certain sectors, such as Construction, Telco, Consumer and Retailers posted a positive growth, helped by stable IDR currency and lower production cost. Meanwhile, Property related sectors continued to be weak on the back of lower 1Q16 marketing sales numbers. Foreign investors, however, were concerned on the government intervention within the banking sector had morally forced banks (SOE in particular adhering to the persuasion) to lower lending rates, potentially triggering Net Interest Margin (NIM) compression structurally. In other sectors the decline in cigarettes sales volume of 5.9% YoY in 1Q16 also suggested that purchasing power / disposable income remains unconstructive to a point where demand inelastic products such as cigarettes became price sensitive. In addition, the government initiatives on lowering BI rate by 75bps have yet to spur economic activity by way of credit. Credit growth merely reached 9% in Mar-16. Overall, so far the anticipated economic growth recovery (real GDP growth in excess of 5%) looks to fall short of expectation. Valuations on the other hand are on the high side especially on a more subdued earnings growth outlook. Sector wise, the Mining Industry Sector was the best performing sector this month, gaining by +11.15% MoM. ADRO (Adaro Energy) and ITMG (Indo Tambang) were the movers; appreciating by +13.18% and +17.74% MoM respectively. This was followed by the Infrastructure Sector that posted +2.29% MoM gains, driven by TLKM (Telekomunikasi Indonesia) which rose +6.77% MoM. On the other side, Miscellaneous Industry Sector was the worst performing sector this month, falling by -6.17% MoM. ASII (Astra International) was the laggards, depreciating -7.24% MoM.

Disclaimer:

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